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THE FULL EMPLOYMENT ACT OF 1945

Senate Bill 380, more commonly known as the Full Employment Bill, was introduced in the Senate in January. The sponsors are Senators Murray of Montana, Wagner of New York, Thomas of Utah, and O'Mahoney of Wyoming. Representative Wright Patman of Texas introduced the corresponding bill, H. R. 2202, in the House in February.

The bill has two major purposes. It seeks to foster free competitive enterprise. It guarantees to all Americans the right to useful, remunerative, regular, and full-time employment, and seeks to assure sufficient job opportunities at all times for those who have finished their schooling and who do not have full-time housekeeping responsibilities.

To fulfill these objectives it is the responsibility of the Federal Government to enact economic policies and programs that will stimulate and encourage the highest feasible level of employment in private industry. If at any time there are not sufficient private job opportunities to maintain full employment, then it is the responsibility of the Federal Government to provide such volume of Federal investment and expenditure as may be needed to assure continuing full employment.

To carry out these responsibilities this bill provides that at the beginning of each regular session, the President shall transmit to Congress the National Production and Employment Budget. This "National Budget" may be drawn up for the ensuing fiscal year or for a longer period if the President so desires. It shall include the following major items:

- (1) The estimated size of the labor force, including the self-employed in industry and agriculture.
- (2) The estimated aggregate volume of investment and expenditure or gross national product that would be required to provide employment opportunities for such a labor force.
- (3) The prospective gross national product, not including any increased or decreased expenditures, which might be expected to result from the programs set forth in the budget.

The extent to which the prospective volume of expenditures is less than that required to provide full employment is known as the prospective deficiency in the National Budget. When such a deficiency exists, the President is to set forth in the budget a general program for encouraging an increase in non-Federal investments and expenditures, covering possibly a wide field of activities. Particular emphasis would be placed on activities and policies that will encourage expenditures and investments by private enterprise. If it does not appear that this program will lead to a sufficient volume of non-Federal expenditures to take up the deficiency, the President is then to transmit a general program for such Federal investment and expenditure as will be sufficient to bring the aggregate volume of expenditures up to the level required to assure full employment.

In order to keep the budget geared to a dynamic economy, the President will review quarterly all Federal investments and expenditures for the purpose of determining the extent to which the current and anticipated level of non-Federal expenditures warrants any change in the volume of Federal expenditures. The ratio of Federal investment and expenditure may be varied to whatever extent and whatever manner the President may determine to be necessary for the purpose of achieving full employment, subject, of course, to any limitations set forth in the related appropriation acts.

The National Budget is to be prepared in the Executive Office of the President under the general direction and supervision of the President, and in consultation with members of his Cabinet and other heads of Departments and establishments. The President may also establish such advisory boards composed of representatives of industry, agriculture, labor, and State and local governments, as he may consider advisable for the purpose of consulting on methods of achieving full employment.

The bill also provides for the establishment of a Joint Congressional Committee on the National Budget. The function of this Joint Committee will be to study the National Budget transmitted to Congress by the President and to report to the Senate and the House of Representatives, not later than March 1 of each year, its findings and recommendations with respect to the National Budget.

The bill concludes by stating four specific things that it does not call for or authorize. These are:

- (1) The operation of plants, factories, or other productive facilities by the Federal Government.
- (2) The use of compulsory measures of any type whatsoever in determining the allocation or distribution of manpower.
- (3) Any change in the existing procedures on appropriations.
- (4) The carrying out of, or any appropriation for, any program set forth in the National Budget, unless such program shall have been authorized by provisions of law other than this act.